Minutes
Erie County Fiscal Stability Authority
May 31, 2006

Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority ("ECFSA"), which was held May 31, 2006. These minutes will not become final until approved at a subsequent meeting of ECFSA Directors, and may be amended before approval.)

Chairman Anthony Baynes called the meeting of the Erie County Fiscal Stability Authority ("ECFSA") to order at 2:00 p.m. on Wednesday May 31, 2006 in the Buffalo Niagara Convention Center. Notice of the meeting had previously been distributed to all Directors by courier and announced to the public and press.

Directors Present: Anthony J. Baynes, Chair; William Joyce, Vice-Chair; Stanley J. Keysa, Secretary; Kenneth Kruly, Treasurer; Joseph Goodell and Shelia Kee

Absent: Director John Johnson

Others Present: Lee Van Riper, Executive Director

Opening Remarks

Chairman Baynes called the meeting to order at 2:00 p.m., welcoming the public officials, interested members of the public and press and media in attendance. "Unfortunately, we would like to ask for a moment of silence at the start of this meeting to note our sorrow and express our condolences to fellow Board Member, Commissioner John Johnson, over the passing of his wife last Friday. A moment of silence, please."

After a suitable pause, Chair Baynes continued: "We understand that Buffalo is a busy place this afternoon and that many of the public officials and other persons who would normally be here are otherwise occupied. For that reason we intend to keep our agenda and discussion brief and not have a lengthy meeting this afternoon. I would like to note that we received notice from the Governor's office that our new members, Vice-Chair William Joyce and Director Joseph Goodell, have had the necessary paperwork processed to be voting members this afternoon."

Approval of the minutes

Chairman Baynes asked for a motion to approve the minutes from the last meeting held on May 17th. Director Joyce moved to approve; Director Goodell seconded the motion, and, without further discussion, the following resolution was unanimously approved:

> Resolution No. 06-19
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> APPROVING MINUTES AND RESOLUTIONS FROM MAY 17, 2006
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> BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its meeting of May 17, 2006 and ratifies and affirms 6 resolutions numbered 6-13 and 6-18 that were approved on May 17, 2006.
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> This resolution shall take effect immediately.

Committee Chairs

Chairman Baynes stated that, at the last meeting, four standing committees were appointed. Stan Keysa, with the other members of the governance committee, had been asked to work to establish charters and duties for those committees in the By-Laws. Chairman Baynes asked Director Keysa for an update on the committees.

Director Keysa replied that he had circulated various drafts of changes for the By-Laws, and said the governance committee is waiting comments back from the Board. He noted that he will be meeting with Director Goodell regarding the finance committee later today. Keysa said he hope to have something more definitive by the next meeting.

Chairman Baynes noted that a preliminary audit should be ready by next week, and that the audit committee should be planning to meet. Executive Director Lee Van Riper will coordinate with Vice-Chair Bill Joyce to schedule a meeting with the auditor.

Chairman Baynes reminded the Board that it had previously requested certain documents from ECMC. "We have not received the benchmarks for the hospital performance from Michael Young." Chairman Baynes said that Mr. Young had stated that he would send the Board the information when available.

County Borrowings

Chairman Baynes mentioned that the Board had passed a resolution at the last meeting requesting the county administration to respond to concerns over the level of proposed borrowing for 2006 and the intent for 2007. He noted that the County Executive Giambra was present and would address these issues later in the meeting.

Chairman Baynes also said, "We requested the Erie Community College budget request for 2006-2007. A request was made by the Executive Director Lee Van Riper and the budget was received promptly, and circulated to the members last week." He then thanked President William Mariani.

Finally, Chairman Baynes noted that a request was made to Personnel Commissioner Greenan for a list of prospective retirees, and that a response was also received promptly last week. Chairman Baynes thanked Commissioner Greenan also, noting that the Board will have follow-up questions on staffing and attrition.

General Counsel

Chairman Baynes stated that he has circulated a draft resolution in the members' briefing books asking for authority to hire a temporary special counsel, observing: "We have no staff counsel at this time and we will be submitting a request for proposal for general counsel, but that will take time." Chairman Baynes continued, "As Chairman, I would like to ask for a motion to approve this resolution to be able to recommend a special counsel until a general counsel can be hired. The resolution limits compensation not to exceed $1,000 per week."

Director Kee moved the following resolution. Vice Chairman Joyce noted that the $1,000 per week maximum is one-half of what was previously authorized for special counsel. Director Kruly then seconded the resolution, which was unanimously passed.

> Resolution No. 06-20
>
> APPROVAL OF TEMPORARY SPECIAL COUNSEL
>
> WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability"; and

WHEREAS, Section 3954, Subsection 13 of Chapter 182 of the Laws of 2005 authorizes this authority "to appoint such officers and employees as it may require" and "to retain or employ counsel"; and

WHEREAS, this authority is in need of legal advice and counsel;

THEREFORE, BE IT RESOLVED, that the ECFSA does hereby create a part-time position of Special Counsel to the Authority, with compensation fixed at a maximum of $1,000 per week, for up to twelve weeks from the date of approval of this resolution; and be it further

RESOLVED, that the Chairman is hereby requested to a recommend candidate to the ECFSA for appointment as Special Counsel, subject to the terms provided in this resolution.

This resolution shall take effect immediately.

Capital Borrowing

Chairman Baynes said that he had also circulated a second resolution requesting more timely information on future capital borrowing so that the authority could have more time to review and comment. It requests that capital plan information be submitted to the ECFSA for review before an actual resolution is sent to the County Legislature.

Director Kruly moved to approve the following resolution, seconded by Director Goodell and the resolution was unanimously approved without discussion:

Resolution No. 06-21

WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability"; and

WHEREAS, Section 3958, Subsection D of Chapter 182 of the Laws of 2005 requires this authority to "review and comment on the terms of any proposed borrowing" of the county; and

WHEREAS the County Legislature is currently reviewing recommendations of the County Executive for borrowings in 2006;

THEREFORE, BE IT RESOLVED, that the ECFSA does hereby request the County Executive to submit all future plans for new capital borrowings to this authority concurrent with the submission of such requests to the Erie County Legislature; and be it further

RESOLVED, that copies of this resolution be sent to the County Executive and to the Chair, Majority Leader, Minority Leader and Clerk of the Erie County Legislature.

This resolution shall take effect immediately.

2006 Financial Plan Discussion

Chairman Baynes next invited County Executive Joel Giambra to address the Board regarding the County's proposed capital borrowing plans for 2006 and 2007.

County Executive Giambra began: "Thank you for the invitation to appear today to address Erie County's four year plan for capital spending and debt. I will offer some brief summary remarks to be followed be a more detailed presentation from Jim Hartman and Ken Vetter. Our presentation responds to the resolution adopted at your last meeting on May 17th."

"We especially appreciate this discussion today because it represents an opportunity to explain the strategy of capital investment pursued by my Administration in recent years. More importantly, it explains our plans going forward. Our objective today is to lay out the facts and to correct inaccurate and misleading information and statements that have come from members of this Authority-and from others in the government, business, and media worlds. Our presentation will make four major points."

"First, investment in infrastructure and physical facilities has been a major priority for my Administration. I am proud of that record and proud of what we have accomplished. We inherited a situation in which the County's physical assets had been seriously neglected. We have taken major steps to restore our highways and bridges, parks, and buildings to a state of good repair. We have responded to State mandates to renovate our courthouse facilities. We have provided new facilities, such as the Public Safety Campus, which will serve this community for decades into the future. These investments have improved our economic competitiveness and quality of life."

"Second, despite the accelerated capital spending, the debt position of the County is manageable and, in fact, low to moderate relative to other governmental entities."

"We compare favorably to other major New York counties on the basis of per capita debt and debt service as a percentage of budget. All three major credit rating agencies make clear statements that our debt is low based upon their relative national measurement of debt burdens. They also point to our rapid amortization of outstanding debt in the next decade. Let me make this point clear: Debt burden is NOT an issue in our credit ratings. Our problems with credit ratings relate to the structural imbalance in our operating budgets."

"Third, despite our comparatively low debt burden, we recognize that restraining capital spending can assist the progress toward structural budget balance. Thus, in developing our four-year plan, we imposed an annual capital borrowing cap of $30 million. This number will allow us to continue basic infrastructure repair-especially in the area of highways and bridges and it will slow the growth of debt service costs. In our original four-year plan, we called for issuing $120 million of new debt in the same period that we are retiring $164 million of old debt."

"As you know, subsequent to the development of the four-year plan, we entered into a court-supervised financial settlement with the Erie County Medical Center Corporation. To help pay this settlement, we have proposed additional borrowings of over $50 million. In making this proposal, we faced a basic choice: 1) accommodate the ECMCC settlement within the $120 million, or 2) raise total borrowing and preserve our original strategy of maintaining basic infrastructure repair. We chose the second strategy. Despite this choice, total outstanding debt at the end of 2009 will be lower that it is at the end of 2006. Let me repeat: total outstanding debt at the end of 2009 will be lower than it is at the end of 2006. This point is absolutely critical to understand within the context of our four-year plan and we will explain it further in the presentation to follow."

"Fourth, to address your resolution, in 2006 we are retiring $32 million of debt. The cost of the ECMCC settlement is $33 million. Nonetheless, we are still planning to fund $22 million of other needed capital projects. To postpone those projects to future years would increase rather than reduce the County's eventual cost. We face a similar choice in 2007 when we anticipate $37 million of debt run-off and $45 million of new debt issuance. Again, we are making a choice not to have the ECMCC settlement disrupt a program of steady, annual infrastructure repair. That choice for 2006 and 2007 will be offset in 2008 and 2009 when we propose $68 million of new borrowing against $95 million of debt retirement. Again, let me reiterate, it is critical to look at the entire four-year strategy."

County Executive Giambra then asked Jim Hartman and Ken Vetter to address the board.

Mr. Hartman stated that he would be walking the Board through the document Briefing Points on the Erie County Capital Budget, which was previously distributed. He pointed to page two of the presentation, portraying where Erie County is now with regards to outstanding long term debt. "It has debt of $446 million."

Director Kruly stated he doesn't see ECMCC debt on the list and questioned, "Why isn't that on the list?"

Mr. Hartman states that the $446 million is long term debt for functional purposes; excluded from the number is sewer debt and the contingent obligation for ECMCC.
"This amount has doubled since the beginning on the Giambra administration and the increase occurred in major areas such as in the highway and bridge improvements and also mandated court house renovations and in the public safety campus.
Bridge and Highway repair is very important." Mr. Hartman explained that it is necessary to maintain a regular reinvestment in highways and bridges.

Mr. Hartman then referred to a memo from Commissioner John Loffredo, who heads the Department of Public Works. The memo gave a brief history of the condition of Erie County's roads, bridges and culverts. The memo said that in 2001, one-third of the county's roads were rated in poor condition, arguing this meant unsafe driving conditions. "There has been a steady effort into trying to improve the conditions of those roads. Right now 18% are rated poor, which is an improvement. Progress has been made. The same case can be made with bridge repair. In 2001, 46 of the bridges were rated as being seriously deficient structurally. The number has been reduced, but there are still 32 bridges that need immediate work."

Mr. Hartman then referred to a report from the State Comptroller's Office regarding long term debt per capita in New York's largest 12 counties (outside New York City). "This shows our per capita debt, compared to other counties, is not out of line. In fact, we ranked 8th at the end of 2004. It also shows long-term debt service as a percentage of budget expenditures."

He added: "We are not out of line with regards to other New York counties. I had distributed other comparative numbers on these twelve counties a few weeks ago and this data comes from those numbers that I have developed. Those really showed that we had the lowest per capita capital expenditure. We are somewhat higher in terms of debt service. It means we are keeping our operating expenses low but we are making capital investments in the future."

Mr. Hartman then referred to an excerpt as to how the rating agencies view our situation. The report was done by Standard and Poors last December. Hartman said the report showed that, "When we are compared to national measurement of debt, we are low. The numbers include the sewer debt and the Erie County Medical Center. S and P states we are low both per capita and as a percentage of our real estate and market value. Nothing we will do in the four-year plan will change that rating. We are not going to move out of that low category."

Mr. Hartman then referred to another report regarding Erie County's outstanding debt and debt-service costs. "Those numbers included ECMCC but not the sewer debt because it is self supporting and doesn't affect taxpayers. As the County Executive suggested, we are going to running off about $160 million dollars of debt over the four- year plan. When we put the four-year plan together we will do $30 million a year, we will be issuing $120 million of new debt against the $160 million. That was our definition of a debt diet. We still need to do $30 million of basic infrastructure repair and maintenance."

"We made the decision to accommodate the ECMCC debt, as well as trying to maintain our program for infrastructure repair. We are going to accommodate the ECMCC judgment and we would still like to proceed with the $22 million proposed. Next year, we show running off debt of $37 million, against which we will issue $30 million for infrastructure and $15 million for ECMC. In 2008 and 2009 the debt run off far exceeds what we are proposing to put on. The bottom line is we will have less debt then than we will have in the end of 2006."

"I know you concern is debt-service cost. Debt-service cost is increasing. Most of it is the amount required for judgment bonds. All of that debt is being issued with a five-year maturity, so that by the year 2013, it will be entirely gone. What we have between the cost of judgment bond and other pieces of the operating subsidy is something that will run about $20 million for a year for the next several years in order for us to completely exit the hospital. In the next two years we will also be making investments in infrastructure."

Director Joyce asked: "The consent degree is to what year and are there potential obligations after that? Is it 2008, 2009, and 2010? Will there be new negations?"

Mr. Hartman stated: "The cost for the bonding will end in 2013."

County Attorney Larry Rubin added that the consent degree runs though the 2009 budget year. "In the 2008 and 2009 budget years, ECMCC has agreed that Erie County will not owe anything for its operating deficits. The consent decree does not specify any change in the original agreement after 2009. The lawsuit may still be appealed by the County for years after 2009. The question will be how can the hospital go from no operating deficit for two years running to an operating deficit and convincingly argue that they are running the place properly. We are confident that an appeal on the County's behalf will be upheld and it will enhance our position relative to any potential request for operating deficit assistance in 2010 or beyond."

Director Joyce asked if, in 2009 and 2010, there would be no obligation to fund ECMCC operations, and Mr. Rubin answered: "That is correct."

Mr. Vetter then addressed the Board regarding bond issuance. He referred to a chart which had been circulated with the items that are being brought to the Erie County Legislature to be included within the 2006 bond offering. The sum total is over $22 million dollars and is been broken down to 3 major categories. "The first are items that are contractual in nature, that the County is required to provide. There are 7 items there totaling about $7.2 million. The second are road and bridge projects; they total approximately $7.9 million for which there is matching federal and state funding of over $21.5 million. The third category is general items. Public good and economic development issues and we will be meeting with the finance committee of the Legislature and going through this list in detail."

"The majority of these items come from the 2006 capital budget. There are three of them that come from prior years and two that still need authorization. The majority of the projects were looked at with the capital budget committee last year. Through that process, the items are things we have to do contractually and roads and bridges. The highway people have ratings and traffics counts on what really needs repair and what can't wait. The proposal in to spend about $7.9 million and there will be about $21 million in reimbursements. The reason some of these were chosen is because there was a possibility we could have lost the reimbursement. The general projects are those people on the committee thought would be items that could help the people of Erie County. There are some employees here from the County if you need more detailed information. The list is being presented to the Legislature on June 1, 2006."

Chairman Baynes stated that a 28-page report will require some time to go through and digest. He asked Mr. Vetter to come back for follow up when the Board has had time to review the presentation.

Director Kee stated she would like to see a longer-term debt impact projection based on $30 million, she would like to see it go to 2015 and making sure the ECMCC debt is included in the charts.

Director Kruly asked if the capital overlay expenditure on roads is still being done by county employees. Commissioner Loffredo responded that the overlay program can be done in-house or by contractors.

Director Kruly asked if the $4.5 million indicated in the presentation included personnel costs. Commissioner Loffredo stated that he is short on personnel. If he could free up personnel he would do it in-house but his agency has really been cut back.

Director Keysa asked if there was any state monetary limit on what they can do in-house and Commissioner Loffredo answered he did not believe so.

Director Kee asked Commissioner Loffredo about vegetation removal. "Do you still use the in-house people to remove weeds and eliminate visual barriers to preserve the road ways?" Commissioner Loffredo stated the department lost 43 percent of its personnel but has tried to keep projects in-house rather than bidding them out.

Mr. Joyce then asked Mr. Vetter about the state and federal funds and if some of the money may be lost. Mr. Vetter stated that some of the projects listed went back to 2002 and 2003. He will go back to the public works people and find out what the County may be in danger of losing.

Director Joyce asked: "Are there ways we can borrow less and therefore have less debt service and make more money available to address the structural imbalance we have to address? Is this a bare bones capital budget or are there opportunities? I presume all the roads are deemed necessary and there is a potential to lose state and federal money. Are other projects postponed?"

The County Executive then continued that the reports that have been shown today show that the debt diet is in effect. "We went through a process with the department heads where they gave a wish list of what they wanted. We tried to give them everything they needed, giving them the best test of fiscal responsibility. We went through a deliberate process, went through project by project and decided what needed to be done. We had to decide what projects we could not do. The administration thinks that all the projects that are slated to be sold are necessary and meet the test of fiscal prudence. The County Legislature may have a different opinion of that. We are going to use reasonableness and fiscal prudence. In 2008 we are not required to provide an operating subsidy for ECMCC. The amount of operating subsidiary goes down by about $28 million. The tax payers of Erie County will see in 2008 an expenditure side reduction of $28 million dollars because of the agreement with ECMCC."

Chairman Baynes then asked about reports for potential bonding involving Erie Community College.

Director Kruly asked County Executive Giambra if $50 million in bonds for ECC is being considered. County Executive Giambra replied, "We need to make some significant investment in the infrastructure into ECC. We did a study which indicates that to do nothing, to keep the same campus scenario with a three-campus structure; the amount of capital improvements necessary to bring the campuses up to code is $140 million. So what we have is a master plan with the college and it consists of new infrastructure in downtown Buffalo where we continue to have a three-campus scenario but it moves programs that are presently available at our suburban campuses and brings them downtown. The project would be approximately $142 million, but that would be split three ways: State, county and private sector. I have spoken to the Governor's office and they are very enthusiastic. We need to get a commitment from the State Dormitory Authority that provides 50 percent of the funding for any community college project. If the state commitment comes through I will be asking the Legislature to consider the County's 50 percent share to build the first phase, which is a $42 million academic structure that would be adjacent to the Flickinger Center and the public safely campus. We would love to show you the full plan when you have some time on your agenda. The return on the public investment is substantial when it comes to downtown Buffalo."

Director Kruly asked: "If they go through with the project, wouldn't it force your plan to go above the $30 million dollars?" County Executive responded, "Yes, but the return on the investment is well worth the effort."

Director Kruly asked if, at some point, they plan on moving back to pay as you go. The County Executive responded that, if he had the luxury to do that, "Obviously that would be prudent with certain projects. There are other projects which should be bonded."
He is hoping to report to a positive trend.

Director Kee asked that the County not proceed with the issuance of the bonds until the Board has time to submit recommendations and opinions.

The County Executive responded that there is a timing issue. "The County Comptroller has certain time frames within which he has to meet the settlement agreements. If we hold off and we don't meet the stipulation dates in the consent decree then we are in violation and that triggers other types of sanctions and actions."

Chairman Baynes asked how long the Comptroller needed. County Executive Giambra responded that the Comptroller is planning on going to market in early July.

Director Kee stated that: "There shouldn't be final approval of bond resolutions until the Authority has the opportunity to submit to you our opinion and some recommendations."

The County Executive again stated they have to be mindful of the timing issue and that the last thing they want to do is to have two sales and have two separate costs of issuance. "That would be fiscally irresponsible."

Chairman Baynes asked for time to review the information and get back to the Executive.

Director Keysa stated he believes they would need a response long before July 15th because they have to prepare the prospectus, also to conduct a vote by the Legislature to approve the bonds. He thought the Board would only have about 2 weeks to review.

Chairman Baynes stated it was imperative that the Authority review the 28-page document and the Board could respond back in two weeks. "We would like the debt- service information by the end of this week."

Director Goodell asked: "Is the $ 1.2 million for the Information and Support Service project for an enhancement for a facility or is it for maintenance of the system?"

County Executive Giambra asked Mr. Art Telaak, head of the IT department, to answer the question. Mr. Telaak responded that the amount has been reduced to $1.2 million and what it represents is the maintenance of the system we just put in and some small enhancements. "Major enhancements are not included. "

Director Goodell asked if it was common to bond computer maintenance or other types of maintenance or whether that should be treated as an expense. Mr. Telaak responded, "My experience is from the private sector and I would have to ask the Budget Director to respond."

Director Goodell pressed Mr. Telaak, "You stated that is was maintenance so it should not be bonded, is that correct, on the basis of your experience?" Mr. Telaak responded "On the basis of my experience, which is of the private sector, it would be in the operating portion of the budget."

Mr. Vetter responded: "We asked the bond counsel for opinions and bond counsel stated that what is included is bondable."

Director Goodell then asked if the computer maintenance was always bonded in the past. Mr. Vetter responded that it has been bonded as capital during the past five years.

Director Keysa asked Commissioner Loffredo if the reconstruction of Wehrle Drive in Amherst is still a county project or if the state had taken it over. Commissioner Loffredo responded that it was still a county project, and that it is in the budget for 2007.

Chairman Baynes asked if it is correct that Times Beach – Phase II is to be bonded for 15 years. Environment & Planning Commissioner Drew Esack responded by stating the County will get reimbursement from the State for $365 thousand that was spent in 2004.

Director Kruly asked: “For the ECMCC settlement bonding, what schedule are you using for retirement of principal?” Mr. Vetter responded that it is an even annual schedule and that principal is not paid in the first year.

Chairman Baynes asked if that was correct that we were not paying principal in new bonds on the first year. Mr. Vetter responded that: “The current practice is that principal is paid in the succeeding years, interest-only is paid in the first year.”

The Chairman thanked the County Executive and his staff for their explanations and again stated that the Authority would have more questions upon review of the materials presented.

Review of Initiatives

Director Kruly noted that he had had time only to review four or five of the proposed initiatives at the last meeting and would like to at least get through a few more. The next initiative is the reduction of residential treatment centers. He asked the budget director to give the Board an update. Budget Director Vetter responded that the goal was to get 45 people out of residential treatment. “Thus far, 16 people have come out of treatment.” They are the 1/3 of the way to their goal, and he has budgeted accordingly.

The next initiative was increasing health department fees. The $1.46 million was projected in the report that Mr. Hartman presented at the end of March. “The more realistic number now being shown was $810 thousand, is that still realistic?” Mr. Vetter responded: “That is still a good number and we are on track. In 2007 and 2008 it is hoped that the Legislature will double the fees as originally proposed and we would generate more money.” Mr. Hartman stated that they have notified the Legislature of their intent to seek approval in increasing the fees.

Director Kee asked about the first budget monitoring report (“BMR”) she saw. “It projected a lot of negative variances.” With a slow start in the first quarter, she asked if they think they are going to make the target. Mr. Vetter responded that, In the April BMR, the numbers look better. We are going through the exact entries and checking the accounting, making sure the fees are going to the right places.”

“In the April BMR, the initiative was shown with a dollar figure attached; we listed where we are in terms of savings and if it is seen as a problem or if it wasn’t a problem.” Lee Van Riper noted the April BMR was received at close of business last Friday and would be distributed to Members in their weekly informational packet on Friday.

Director Kruly then talked about the initiatives for the auto bureaus, stating that it was his understanding that the reopening of the auto bureaus has been somewhat delayed and so the number is somewhat light. “An increase in fee is projected way under as to what the fees will produce and this will more then balance the revenue shortfall from delayed openings. Upon review the new fee should be nearly $5 million a year.” Mr. Vetter responded they had only assumed in the budget $1.9 million, so in the BMR they anticipated a total of $3.5 million in additional revenue. “On the vehicle tax revenue alone, we should receive at least $1.4 million greater then we budgeted. We tried to be very conservative.”

Director Kruly asked if the centralization of revenue collections in the four-year plan anticipated $1 million this year, going up to $4 million in 2007 as the report in March stated. Mr. Hartman responded: “The $1 million is only projected to be $200,000 this year, and for the next year, it will be quarter million. There is a decrease from expectations in the four-year plan.”

Mr. Vetter stated; “The problem here was that PFM looked at the figure based on ECMC receivables. Most of them are in a collection process and they anticipated a lot more money than can realistically be expected. In the 2006 budget we decided we could not pull in a million dollars and did not budget it. Again, we are trying to be very conservative.”

Director Kruly asked if the wireless surcharge has been implemented and Mr. Vetter stated it had been implemented; the approval was received in April. “The County started collecting in mid-May. We are on track.”

Chairman Baynes stated the he would like to keep to the timetable for a short meeting. He asked if there is any other business and Director Keysa reported that he was still exploring other alternatives for ECFSA office space and would report at a future meeting.

At 3:30 p.m., Chairman Baynes asked for a motion to adjourn. The motion was made by Director Kee, seconded by Director Goodell, and unanimously approved.

Respectfully submitted,

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Stanley Jay Keysa
ECFSA Secretary